

ACCOUNTANCY EXAMINING BOARD[193A]

Notice of Intended Action

Proposing rule making related to waivers and five-year review of rules and providing an opportunity for public comment

The Accountancy Examining Board hereby proposes to amend Chapter 2, “Organization and Administration,” Chapter 3, “Certification of CPAs,” Chapter 4, “Licensure of LPAs,” Chapter 6, “Attest and Compilation Services,” Chapter 9, “Reciprocity and Substantial Equivalency,” Chapter 10, “Continuing Education,” and Chapter 18, “Licensees’ Duty to Report,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 542.4.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 17A.7 and 2020 Iowa Acts, House File 2389.

Purpose and Summary

The proposed amendments to Chapters 2 and 10 will bring the rules into compliance with 2020 Iowa Acts, House File 2389. Other amendments are in partial compliance with Iowa Code section 17A.7(2), which states that beginning July 1, 2012, over each five-year period of time, an agency shall conduct an ongoing and comprehensive review of all of the agency’s rules. The goal of the review is to identify and eliminate all rules that are outdated, redundant, or inconsistent or incompatible with statute or the agency’s rules or the rules of other agencies.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 193—Chapter 5.

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Board no later than 4:30 p.m. on November 10, 2021. Comments should be directed to:

Robert Lampe
Iowa Accountancy Examining Board
200 East Grand Avenue, Suite 350
Des Moines, Iowa 50309
Email: robert.lampe@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 10, 2021
2 to 3 p.m.

Professional Licensing Bureau Offices
200 East Grand Avenue, Suite 350
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 193A—2.7(17A,21,22,272C,542) as follows:

193A—2.7(17A,21,22,272C,542) Uniform bureau rules. Administrative and procedural rules which are common to all boards in the bureau can be found in the rules of the professional licensing and regulation bureau.

2.7(1) Persons seeking waivers ~~or variances~~ from board rules should review the uniform rules at 193—Chapter 5.

2.7(2) and **2.7(3)** No change.

2.7(4) Rules regarding denial of issuance or renewal of license or license suspension or revocation for nonpayment of child support, or debts owing to the state, ~~or student loans~~ appear at 193—Chapter 8.

2.7(5) to **2.7(9)** No change.

ITEM 2. Amend rule 193A—3.2(542) as follows:

193A—3.2(542) Colleges or universities recognized by the board. Iowa Code section 542.5, in providing for educational qualifications for a certificate as a certified public accountant, refers to colleges or universities “recognized by the board.” For such purpose, the board recognizes the following educational accrediting institutions ~~accredited by the Association to Advance Collegiate Schools of Business and the regional accrediting bodies listed in the current publication of the Accredited Institutions of Post Secondary Education, which listing is made a part of these rules by reference.;~~

1. Middle States Commission on Higher Education (MSCHE);
2. Northwest Commission on Colleges and Universities (NWCCU);
3. Higher Learning Commission (HLC);
4. New England Commission of Higher Education (NECHE);
5. Southern Association of Colleges and Schools and Commission on Colleges (SACSCOC);
6. WASC Senior College and University Commission (WSCUC).

Alternatively, applicants may provide evidence of meeting equivalent accreditation requirements of the Higher Learning Commission (HLC).

This rule is intended to implement Iowa Code section 542.5.

ITEM 3. Amend subrule 3.14(2) as follows:

3.14(2) A candidate who meets the requirements for a certificate outlined in rule 193A—3.1(542) shall file an application for a certificate within three years of the date of passing the examination. If

the candidate does not file an application for a certificate within the required time frame, the candidate must comply with the basic continuing education requirements outlined in rule 193A—10.5(542) prior to filing an application. The required continuing education hours shall include a minimum of eight hours of continuing education every three years devoted to financial statement presentation, such as courses covering the statements on standards for accounting and review services (SSARS) and accounting and auditing updates, and a minimum of four hours of continuing education devoted to professional ethics.

ITEM 4. Amend subrule 4.7(4) as follows:

4.7(4) Alternatively, an applicant may satisfy the examination requirement of this rule by passing the Financial Accounting and Reporting—~~Business Enterprises and Accounting and Reporting—Taxation, Managerial, Governmental and Not-for-Profit Organization~~ Regulation sections of the CPA examination provided by the AICPA.

ITEM 5. Rescind subrules **4.8(1)** and **4.8(2)**.

ITEM 6. Renumber subrules **4.8(3)** and **4.8(4)** as **4.8(1)** and **4.8(2)**.

ITEM 7. Amend rule 193A—4.10(542) as follows:

193A—4.10(542) Refunding of examination fees. Examination fees will not be refunded except as provided by the rules concerning the refunding of examination fees to an examination candidate for a certified public accountant certificate outlined in ~~193A—3.10(542)~~ rule 193A—3.11(542).

ITEM 8. Amend subrule 6.2(2) as follows:

6.2(2) Experience shall include all of the following:

- a. Experience in applying a variety of ~~auditing~~ attest procedures and techniques to the usual and customary financial transactions recorded in accounting records.
- b. Experience in the preparation of ~~audit~~ attest working papers covering the examination of the accounts usually found in accounting records.
- c. Experience in the planning of the program of ~~audit~~ attest work including the selection of the procedures to be followed.
- d. and e. No change.

ITEM 9. Amend subrule 9.5(2) as follows:

9.5(2) A person who holds in good standing a certificate, license or designation from a foreign authority that is substantially equivalent to an Iowa CPA certificate shall be deemed qualified for an Iowa CPA certificate if the person satisfies all of the provisions of Iowa Code section 542.19(3). The burden is on the applicant to demonstrate that such certificate, license or foreign designation is in full force and effect and that the requirements for that certificate, license or foreign designation are comparable or superior to those required for a CPA certificate in this state. Original verification from the foreign authority which issued the certificate, license or designation shall be required to demonstrate that such certificate, license or designation is valid and in good standing. If the applicant cannot establish comparable or superior qualifications, the board shall require that the applicant pass the uniform certified public accountant examination designed to test the applicant's knowledge of practice in this state and country. If the applicant is a Canadian Chartered Accountant, Australian Chartered Accountant, Hong Kong CPA, Ireland Chartered Accountant, Mexico Contador Público Certificado (CPC), New Zealand Chartered Accountant, ~~or~~ Scottish Chartered Accountant, or South African Chartered Accountant, the applicant may be required to take the International Uniform CPA Qualification Examination (IQEX) in lieu of the uniform certified public accountant examination.

ITEM 10. Amend subrule 10.5(6) as follows:

10.5(6) The board shall have authority to make exceptions for reasons of individual hardship including health, certified by a medical doctor, military service, foreign residency, retirement, or other good cause. No exceptions shall be made solely because of age. Applicants entitled to a full or partial exception under the provisions of Iowa Code section ~~272C.2, subsection 4,~~ 272C.2(4) for active military service or government service outside of the United States may request an exception by submitting acceptable documentation as applicable to the exception requested. Applicants seeking an exception

on other grounds of undue hardship must submit an application for waiver or variance as provided in 193—Chapter 5.

ITEM 11. Amend subrule 18.2(2) as follows:

18.2(2) When a licensee is a party to an adverse judgment resulting from a professional malpractice action or is a party to a settlement of a claim resulting from an allegation of malpractice, the licensee shall file a report in writing forwarded to the board office, setting forth the name and address of the client, the date the claim was originally made, a brief description of the circumstances precipitating the claim and a copy of the judgment or settlement agreement resulting from the claim. ~~It is the intent of this rule to require the reporting of all judgments or settlements resulting from claims that were initiated by court action and not claims of malpractice that are made against a licensee that are not filed in a court of law.~~